



FRED WILLIAMSON & ASSOCIATES, INC.  
Telecommunications Management Services

**VIA ECFS**

July 10, 2014

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of Secretary  
445 12<sup>th</sup> Street, S. W.  
Washington, D.C. 20554

**RE: Petition for Limited Wavier of 47 C.F.R. § 51.97(b), IAMO Telephone Company, Inc., *Connect America Fund*, WC Docket Nos. 10-90 *et al.***

Dear Ms. Dortch:

On behalf of IAMO Telephone Company, Inc. ("IAMO"), Fred Williamson and Associates respectfully submits the above-referenced Petition for Limited Waiver. IAMO seeks a limited waiver of Federal Communication rules Section 51.917(b)(7)(ii), 2011 Rate of Return Carrier Base Period Revenue.

Please direct inquiries regarding this Limited Waiver to the undersigned consultant for the Company.

Sincerely,

Tim Morrissey  
President  
314-605-9220  
[tmorrissey@fwainc.com](mailto:tmorrissey@fwainc.com)

Enclosures

cc: Chief, Wireline Competition Bureau

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing a Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-up	)	WC Docket No. 03-109
	)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

**PETITION OF IAMO TELEPHONE COMPANY, INC.  
FOR LIMITED WAIVER OF 47 C.F.R. § 51.917(b)**

Pursuant to Section 1.3 of the rules of the Federal Communications Commission (“FCC” or “Commission”),<sup>1</sup> IAMO Telephone Company, Inc. (“IAMO” or the “Company”) hereby requests a limited waiver of 47 C.F.R. Section 51.917(b)(7)(iii).<sup>2</sup> As explained herein, good cause exists for waiver of the 2011 Rate-of-Return Carrier Base Period Revenue (“Base Period Revenue”) amount. Specifically, IAMO seeks modification of the 2011 Interstate Switched Access Revenue Requirement, a component of the Base Period Revenue. A limited waiver of these rules would allow the Company to include in their Fiscal Year (“FY 2011”) Base Period Revenue an amount that accurately reflects the actual interstate switched access revenue

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<sup>1</sup> 47 C.F.R. § 1.3.

<sup>2</sup> 47 C.F.R. § 51.917(b)(7)(iii).

requirement rather than a forecasted amount which was inadvertently understated. Adjustment of IAMO's Base Period Revenue will enable sufficient cost recovery that is necessary for ongoing operations and the maintenance of reasonable rates. The Company requests that the grant of the waiver allow for the adjustment of the amounts in the FY 2011 base period as of July 1, 2012. The "good cause" waiver standard has been satisfied, and grant of this waiver would be in the public interest.

## **I. BACKGROUND**

IAMO is a rural incumbent local exchange carrier ("ILEC") operating in Coin, Iowa and serves approximately 240 access lines in the State of Iowa. The Company is a rate-of-return carrier and files its interstate tariff under National Exchange Carrier Association ("NECA") Tariff F.C.C. No. 5.

NECA for the annual interstate tariff filing effective July 3, 2012, utilized data for IAMO to calculate the FY 2011 Base Period revenue, including the three required components: (1) 2011 Interstate Switched Access Revenue Requirement; (2) FY 2011 revenues from rate elements included in the definition of Transitional Intrastate Access Service received by March 31, 2012; and (3) FY 2011 reciprocal compensation revenues received by March 31, 2012, less FY 2011 reciprocal compensation payments made by March 31, 2012. The 2011 Interstate Switched Access Revenue Requirement was based on forecast information that was submitted to NECA in January 2011. Based on the forecast information, NECA derived an amount of \$125,444 as the 2011 Interstate Switched Access Revenue Requirement component. However, the 2011 Interstate Switched Access Revenue Requirement, based on the actual 2011 cost, would be \$230,836. Thus, the forecast understated actual cost by \$105,392. The forecast failed to include significant switching investments and other costs incurred in 2011 that were not recorded on the Company's

accounting records at the time the forecast was submitted. The frozen amount, based on the forecast, significantly understated the actual costs the Company incurred in 2011. The understated 2011 revenue requirement employed in the Base Period Revenue denies IAMO of a reasonable level of cost recovery. Accordingly, the Company respectfully requests the Commission waive its rules to allow the Company to include the difference, \$105,392 in its Base Period Revenue effective as of July 1, 2012.

## **II. LIMITED WAIVER IS JUSTIFIED**

In general, the FCC's rules may be waived for good cause shown.<sup>3</sup> Waiver is appropriate where the "particular facts would make strict compliance inconsistent with the public interest."<sup>4</sup> The FCC may grant a waiver of its rules where the requested relief would not undermine the policy objective of the rule in question, special circumstances warrant a deviation from the general rule, and such deviation will serve the public interest.<sup>5</sup>

Grant of this waiver is in the public interest. IAMO submitted its FY 2011 Base Period Revenue data in compliance with the Commission's rules and in good faith. This Base Period Revenue is a critical starting point to calculate the Company's Eligible Recovery and is part of the transitional recovery mechanism established by the Commission expressly to mitigate the impact of USF-ICC reforms on carrier revenues and investments. Grant of this limited waiver would allow the initial calculation of Eligible Recovery to accurately represent the Company's FY 2011 Base Period Revenue and would not inappropriately penalize the Company's Eligible Recovery

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<sup>3</sup> 47 C.F.R. § 1.3

<sup>4</sup> See *AT&T Wireless Services, Inc. et al. v. Federal Communications Commission*, No. 00-1304 (D.C. Cir. 2001), citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) ("*Northeast Cellular*").

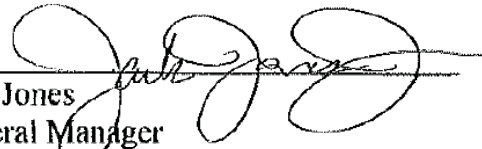
<sup>5</sup> See generally, *WAIT Radio v. FCC*, 418 F.2d 1153 (D.C. Cir. 1969), cert. denied, 409 U.S. 1027 (1972); see also *Northeast Cellular* (D.C. Cir. 1990).

going forward.<sup>6</sup> Further, grant of the limited waiver would serve the public interest in that the Company would be able to continue to serve its customers consistent with the FCC's National Broadband Plan goals while having the benefit of the transitional recovery mechanism to the full extent intended by the Commission.

### III. CONCLUSION

Limited waiver of Section 51.917(b)(7)(iii) is requested in order to fairly reflect IAMO's actual switching cost that was not reflected in forecast information. Consequently, IAMO requests to adjust its eligible recovery Base Period Revenue to include an additional \$105,392. Grant of limited waiver to allow this correction will enable reasonable levels of cost recovery and allow the Company to continue network investments that may otherwise be undermined as a result of the negative financial impact of the understated Base Period Revenue.

Respectively submitted,

  
\_\_\_\_\_  
Jack Jones  
General Manager  
IAMO Telephone Company, Inc.  
P.O. Box 368  
Coin, Iowa 51636

7-9-2014  
\_\_\_\_\_  
Date

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<sup>6</sup> To illustrate, if the waiver is not granted, the exclusion of the \$105,392 would have a cumulative negative effect of approximately \$804 thousand over the ten-year period spanning from July 2012 through June 2021.